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SUBJECT: SAOs: U.S. Companies Highlight Harm to U.S. Exports; Jobs

REF: A) BEIJING 686, BEIJING 687; B) STATE 20889; C) BEIJING 601,
BEIJING 435; D) NEW DELHI 531, MOSCOW 578

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1. (SBU) Summary: Presidents and CEOs of U.S. high-tech exporters met with the CDA to express their concern that four-month-long waits for visa issuances are having a serious negative impact on American exports, and to discuss possible solutions. A delegation of former American Chamber of Commerce (AmCham) presidents from China plans to travel to Washington next month and intends to raise this issue with USG officials and Members of Congress. The AmCham also will address SAO delays during their annual "Congressional Doorknock" visit. (Note: The wait time for Mantis Security Advisory Opinion (SAO) processing currently is about 16 weeks from the date of visa interview for business applicants and 8 weeks for students and scholars (ref A). End Note.) End summary.

Improvements Welcomed to Existing SAO Mantis Process

2. (SBU) On March 25, 2009, representatives of seven of the largest U.S. companies in China gathered to discuss SAO Mantis delays. Participants included the President of United Technologies International Operations (UTIO) China, Senior Attorney for

Microsoft, President of Motorola China, Chief Representative of Westinghouse Electric (Asia), President of Boeing China, CEO of Cummins Engine (China), and Vice President of GE.

13. (SBU) CDA Piccuta emphasized the need to protect intellectual property and noted that SAOs are essential to preventing unauthorized technology transfer of U.S. technology. The Embassy has worked closely with U.S. companies in China on facilitating expedites when appropriate. He briefed on the current SAO Mantis environment and informed the business leaders that the State Department and clearing agencies continue to make SAO reform a priority. For example, the State Consular Affairs Bureau (CA) recently authorized issuance of one-year, multiple entry visas to applicants subject to Mantis processing, replacing the previously limiting three-month, one-entry visa for B1/B2 applicants (ref B). He expressed hope that this change will alleviate partner clearing agencies' workload in Washington, cut down on Non-Immigrant Visa (NIV) workload at post, and benefit Chinese government officials and business people who make multiple trips to different places in the United States within one year. He also stated that Washington clearing agencies are hiring more processors, and SAO Mantis waits have declined slightly.

SAO Mantis Delays Threaten Exports and American Jobs

14. (SBU) The business participants expressed appreciation for the extended visa validity change authorized by CA. However, they noted that it does not alleviate the long wait times to obtain or renew a visa subject to Mantis administrative processing. Further, some participants showed concern that, while delays may be getting shorter as new staff is hired, they could unpredictably expand again in the future.

15. (SBU) U.S. companies are losing contracts due to the SAO delays,

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according to the American businesspeople. According to UTIO China President, for example, a recent meeting between Ford Motor Company and Chinese counterparts was delayed due to SAO Mantis processing for participants. Many participants agreed that SAO Mantis processing times limit cooperation on science and technology, slow down business deals, and cost American jobs (Ref C). U.S. business leaders strongly supported a specific, fixed timeframe for administrative processing. (Note: these comments reiterated recent messages from the U.S. business communities in New Delhi and Moscow (Ref D). End Note.)

16. (SBU) The Charge acknowledged Embassy awareness that visa wait times for travel to nations competing with American firms for sales and contracts is significantly shorter. (Note: Currently, the time from initial application until business visa issuance is 5 business days for Japan, 7 business days for France, and 15-21 weeks for the United States. End Note.)

Plans to Raise the Issue of Visa Delays in Washington

17. (SBU) The head of the Beijing AmCham briefed the Charge on plans to send two delegations to Washington in the near future: a group of former AmCham presidents, and the annual AmCham "Congressional Doorknock" to discuss issues on the Hill. He stated that both of these groups plan to raise the issue of SAO delays, and their impact on U.S. exports and jobs. They will visit both Members of Congress and U.S. Government officials.

18. (SBU) Comment: Post expects business executives in China to continue the discussion about how to decrease SAO Mantis wait times and increase American jobs. Executives in Beijing may communicate with their U.S. parent companies, AmCham, and the U.S. Chamber to ask for assistance in making their concerns known. Their apparent message: exports are critical to job creation. In the face of the economic downturn, smooth travel can facilitate American exports and create American jobs. End comment.

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